

TSM GLOBAL BERHAD (Co. No. 73170-V)
**UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR FINAL QUARTER ENDED
31 JANUARY 2010**

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9 part K of the Listing Requirements and of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 January 2009.

The significant accounting policies and methods of computation adopted in the unaudited interim financial statements are consistent with those adopted in the Group’s audited financial statements for the year ended 31 January 2009 except for the following FRSs and Interpretations were issued but not yet effective and have not been applied by the Group :

| | |
|----------------------|--|
| FRS 4 | Insurance Contracts |
| FRS 7 | Financial Instruments: Disclosures |
| FRS 8 | Operating Segments |
| FRS 123 | Borrowing Costs |
| FRS 139 | Financial Instruments: Recognition and Measurement |
| IC Interpretation 9 | Reassessment of Embedded Derivatives |
| IC Interpretation 10 | Interim Financial Reporting and Impairment |

The adoption of the above FRSs and Interpretations upon their effective dates is not expected to have any significant impact on the interim financial statements of the Group.

A2 Status of Audit Qualifications

The audited financial statements of the Group for year ended 31 January 2009 were not subject to any audit qualification.

A3 Seasonal or cyclical factors

The Group’s operations have not been materially affected by seasonal or cyclical factors.

A4 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence for the financial period under review.

A5 Material Changes in Estimates

There were no material changes in estimates used in the preparation of the financial statements in the current financial quarter as compared with the previous financial quarters or previous financial year.

A6 Issuance, cancellation, repurchases, resale and repayments of debts and equity securities

During the previous financial quarter, the Company repurchased 1,000 ordinary shares of its issued share capital for a total consideration of RM1,232. These repurchased shares are to be held as treasury shares and the total number of treasury shares held as at 31 January 2010 was 1,000 ordinary shares.

A7 Dividend Paid

The final tax exempt dividend of 5 sen per ordinary share of RM1 each for the financial year ended 31 January 2009 was paid on 18 August 2009.

A8 Segmental Reporting (Analysis by business segments)

The Group's segmental reporting for the twelve months period ended 31 January 2010 was as follows:

| | Gross Revenue RM'000 | Profit before tax RM'000 |
|---------------------------------------|-------------------------|--------------------------------|
| Manufacturing | 257,194 | 53,338 |
| Trading | - | (14) |
| Health and wellness | 973 | (1,434) |
| Investment holding and others | - | 745 |
| | <hr/> | <hr/> |
| | 258,167 | 52,635 |
| Group's share of associated companies | - | 2,105 |
| | <hr/> | <hr/> |
| | 258,167 | 54,740 |

A9 Valuations of Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

A10 Material Subsequent Events

There were no material subsequent events subsequent to the end of the period reported on that has not been reflected in the financial statements.

A11 Changes in Composition of the Group

There were no material changes in the composition of the Group during the financial period under review.

A12 Changes in Contingent Liabilities

There were no changes in the contingent liabilities or contingent assets since the last financial year ended 31 January 2009.

A13 Capital Commitments

The amount of commitments not provided for the interim financial statements as at 31 January 2010 was as follows: -

Approved and contracted for

RM'000
3,865
=====

B. Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Taxation

The taxation of the Group for the financial period under review was as follows: -

| | Current Quarter Ended 31/01/2010 RM'000 | Cumulative Year to-date ended 31/01/2010 RM'000 |
|--|--|--|
| Under / (over) provision for pervious period | (3) | (1,659) |
| Taxation for current financial period | 5,430 | 14,407 |
| | <u>5,427</u> | <u>12,748</u> |

B2 Profit/(Loss) on sale of unquoted investments and/or properties

During the financial period under review, there was no sale of unquoted investments or properties.

B3 Quoted Investments

a) Purchases and disposal of quoted securities

There were no purchases or sales of quoted securities for the financial period under review.

b) Investment in quoted securities as at 31 January 2010

| | RM'000 |
|---------------------------|--------|
| At cost | 987 |
| Carrying Value/Book Value | 395 |
| Market Value | 2,290 |

B4 Status of corporate proposals announced

On 3 March 2010, the Company announced that it had on 3 March 2010 entered into a conditional Shares Sales Agreement with Sierra Indah Sdn Bhd to acquire 31,367,500 ordinary shares of RM1.00 each representing 85.47% of the existing issued and paid up ordinary share capital of Kenseisha (M) Sdn Bhd for a total consideration of RM15,080,000 to be satisfied by the issuance of 6,500,000 new ordinary shares of RM1.00 each in TSM ("Consideration Shares") ("Proposed Acquisition").

The Proposed Acquisition is conditional upon the approvals being obtained from the following:

- shareholders of TSM at an Extraordinary General Meeting to be convened;
- Bursa Malaysia Securities Berhad for the listing of and quotation for the Consideration Shares pursuant to the Proposed Acquisition; and
- Any other relevant authorities, if any.

Please refer to the Company's announcement dated 3 March 2010 for more details.

B5 Borrowing and debt securities

| | As at 31/01/2010 RM'000 |
|-------------------|----------------------------|
| <u>Short Term</u> | |
| Secured | 1,338 |
| Unsecured | - |
| <u>Long Term</u> | |
| Secured | 4,682 |
| Unsecured | - |
| | 6,020 |

The above borrowings are denominated in Ringgit Malaysia.

B6 Off balance sheet financial instrument

As at the date of this quarterly report, the Group did not enter into any contracts involving off balance sheet financial instruments.

B7 Changes in Material Litigation

There is no pending material litigation as at the date of this interim financial report.

B8 Material changes in the Profit/Loss before taxation for the quarter compared with the preceding quarter

The Group's sales for the current quarter of RM73.142 million were 12.33% higher than the immediate preceding quarter's sales of RM65.112 million. This is in line with the continuing improvement in the automotive market in Malaysia during the final quarter for the financial year ended 31 January 2010.

The profit before taxation was higher by RM6.740 million (56.0%) for the current quarter due to the higher sales volume at better selling prices and improved productivity and cost reduction measures undertaken by the Group. Furthermore, we have also received compensation from certain customers for the high Yen exchange rate incurred in earlier periods.

B9 Review of Performance

The Group's sales for the current quarter of RM73.142 million are higher by 21.89% compared to the corresponding quarter last year, which was affected by the Global Economic Crisis of 2008/9. Our sales have now recovered to almost about the same level as they were in 2008, just before the Global Economic Crisis.

The Net Profit for the current quarter of RM13.342 million is an increase of RM9.915 million (289.32%) compared to the corresponding quarter last year.

The Group's Basic Earnings per share for the current quarter is 14.10 sen compared to 2.90 sen for the corresponding quarter last year.

Looking at our current financial year's results, the Group's sales have dropped by 3.73% to RM 258.2 million from RM268.2 million. The Group has been able to register record breaking profit before taxation of RM54.740 million for the current year despite the lower sales volume due to the reasons identified in Paragraph B8 earlier.

The Group's Basic Earnings per share for the current year is 45.42 sen compared to 42.27 sen for last year.

B10 Current year prospects

The Malaysian Automotive Association (MAA) has reported that the total industry volume (TIV) in Malaysia for the 2009 automotive market was approximately 537,000 units, which was a reduction of about 2% compared to 2008. The MAA has also forecasted the sales for 2010 to be about 550,000 which is an increase of 2.4%.

The Group remains confident that with our continuing quality and productivity improvement and cost control activities, we will be able to maintain positive financial results for the current year.

B11 Profit forecast

Not applicable as there was no profit forecast.

B12 Dividend

The Board did not declare any dividend for the final quarter ended 31 January 2010.

B13 Earnings/(Loss) per share

| | Current Quarter Ended 31-01-2010 | Cumulative Year to-date ended 31-01-2010 |
|---|--|--|
| (a) <u>Basic Earning/(Loss) per share</u> | | |
| Net Profit/(Loss) attributed to ordinary equity holders of the parent (RM'000) | 7,630 | 24,582 |
| Weighted average number of ordinary shares in issue ('000) | 54,120 | 54,120 |
| Basic Earnings/(Loss) per share (sen) | 14.10 | 45.42 |
| (b) <u>Diluted Earning/(Loss) per share</u> | | |
| Net Earnings/(Loss) attributed to ordinary equity holders of the parent (RM'000) | 7,630 | 24,582 |
| Weighted average number of ordinary shares in issue ('000) | 54,120 | 54,120 |
| Adjustment for options ('000) | 752 | 752 |
| Weighted average number of ordinary shares for Diluted Earnings/(Loss) per share ('000) | 54,872 | 54,872 |
| Diluted Earnings/(Loss) per share (sen) | 13.63 | 44.80 |

By Order of the Board

CHEE MIN ER
Company Secretary

Kuala Lumpur
30 March 2010

c.c. Securities Commission